



Bulletin

TO: Mayors, City Managers, Selectmen, 2006-13B
Executive Directors, Sewer Authorities,
Commissioners, Sewer Districts,
City and Town Treasurers

FROM: Anthony A. Rassias, Deputy Director of Accounts

DATE: August 2006

SUBJECT: Sewer Rate Relief Fund – FY2007

The Sewer Rate Relief Fund operates under the provisions of Chapter 29 §2Z of the General Laws. The Fund was created in 1993 to mitigate escalating costs of sewer service in the Commonwealth. Awards were based on “eligible debt service” and were calculated at up to 20% of debt service.

In FY94, over \$20 million was awarded, increasing to over \$60 million in FY02. In FY03, no funds were disbursed. In FY04, \$5 million was appropriated, in FY05, \$10 million was appropriated, in FY06, \$12.5 million was appropriated and in FY07, \$25 million is appropriated. If the total amount of eligible indebtedness remains at approximately the same level as FY06, we would anticipate FY07 awards in the range of 7.6% of eligible debt service.

Details of the program are unchanged. Eligible debt service is defined as:

- permanent debt issued on or after January 1, 1990 for a term greater than five years,
- for water pollution control projects

Projects which received state grants are ineligible and projects financed through MWPAT are generally ineligible.

The Division of Local Services administers the program in consultation with the Department of Environmental Protection. Applications should be submitted using the attached form and returned by Friday, September 15, 2006 to William C. Meehan, at the address below. Mr. Meehan’s telephone number is (617) 626-2382.

We are again including the proposed use of award funds on the application rather than asking for the proposed use after the awards have been made, in an effort to simplify operation of the program.

B. USE OF AWARD PROCEEDS:

Describe briefly how the award, if any, will be used to reduce rates in the current or future years, or finance capital projects which would otherwise be financed through borrowing.

C. CERTIFICATION:

We certify that the above listed debt was issued on or after January 1, 1990 for a term greater than five years to finance or refinance the costs of planning, design or construction of a water pollution control project or part thereof required to meet the provisions of the Federal Water Pollution Control Act (33 USC, secs. 1251 et seq.) and secs. 26 to 53 inclusive of M.G.L. Ch. 21.

Mayor	_____	Exec. Director	_____
Manager	_____	Commissioners	_____
Selectmen	_____		_____
	_____		_____
	_____	Treasurer	_____
	_____	Phone	_____
	_____	Fax	_____

D. Wire Transfer Instructions

Payments to cities and towns will be made to accounts to which other state local aid payments are wired. For any district or authority, please indicate your bank routing number and account below.

_____	_____
Bank Routing Number	Account Number

E. Return by Friday, September 15, 2006 by mail or fax:

Division of Local Services
Attn: William C. Meehan, Supervisor of Public Finance
P.O. Box 9569
Boston, Mass. 02114-9569 Fax (617) 626-3916